



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 21, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **INTERNATIONAL INSTITUTE OF LOS ANGELES - TARGETED
ASSISTANCE DISCRETIONARY GRANT PROGRAM CONTRACT
REVIEW**

We have conducted a program and fiscal contract review of International Institute of Los Angeles (International or Agency), a Targeted Assistance Discretionary Grant Program (TA or Program) service provider.

Background

The Department of Public Social Services (DPSS) contracts with International, a private, non-profit, community-based organization to provide home-based child care certification and licensing training to eligible CalWORKs refugee women who reside in Los Angeles County. The Agency's services include providing intake, assessment and enrollment services, childcare skills and specialized training for home-base childcare licensing, and supportive services for related expenses such as payment of fees for required classes. The population that International serves resides in all five Board Districts.

DPSS pays International a fixed fee for each type of service based on budgeted program costs and anticipated service levels. For Fiscal Year (FY) 2004-05 DPSS paid International approximately \$273,000, and for FY 2005-06 International's contract was for \$174,915.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether International complied with its contract terms and appropriately accounted for and spent program funds in providing services to eligible participants. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

Results of Review

Overall, International provided services required by the County contract using the appropriate number of staff who possessed the qualifications required by the County contract. The program participants stated that the services they received from International generally met their expectations. In addition, the expenses that the Agency charged the program were allowable and properly documented.

Review of Report

On July 17, 2006, we discussed our report with International management. In their attached response International management indicates agreement with our report. We also notified DPSS of the results of our review.

We thank International for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Bryce Yokomizo, Director, Department of Public Social Services
E. Stephen Voss, President and Chief Executive Officer, International Institute of
Los Angeles
Public Information Office
Audit Committee

**TARGETED ASSISTANCE DISCRETIONARY GRANT PROGRAM
INTERNATIONAL INSTITUTE OF LOS ANGELES
FISCAL YEAR 2005-2006**

ELIGIBILITY

Objective

Determine whether the International Institute of Los Angeles (International or Agency) provided services to individuals that meet the eligibility requirements of the Targeted Assistance Discretionary Grant Program (TA or Program).

Verification

As requested by the Department of Public Social Services (DPSS), we reviewed documentation in case files for all 79 program participants that were reported as receiving services for July, August and September 2005 to confirm the participants' eligibility for program services.

Results

All program participants reviewed were eligible to receive program services. International also maintained appropriate documentation to support the participants' eligibility to receive program services.

Recommendations

There are no recommendations for this section.

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether International provided the services billed in accordance with their contract and the program participants received those services.

Verification

We reviewed the documentation contained in all 79 program participant case files for participants that received services in July, August and September 2005, to ensure that the services for the 107 components billed were provided in accordance with the County contract. We also interviewed 29 program participants to confirm the services International billed to DPSS were provided. International billed DPSS \$89,899 during the sample months.

Results

International appropriately provided intake, assessment and enrollment of eligible CalWORKs refugee women, childcare skills training and specialized training for home-base childcare licensing, and supportive services. In addition, the program participants stated that they received the services billed and the services they received from International met their expectations.

Recommendation

There are no recommendations for this section.

SERVICE/STAFFING LEVELS**Objective**

Determine whether International's actual service level does not significantly vary from their planned level.

We did not perform test work in this section, as International's contract did not establish planned service and staffing levels. Subsequent to our review, International established planned service and staffing levels.

STAFFING QUALIFICATIONS**Objective**

Determine whether International's staff possessed the qualifications required by the contract.

Verification

We reviewed the personnel files of all 10 staff for documentation confirming staff qualifications.

Results

Each of International's staff possesses the required employment eligibility verification, training, reading, writing and speaking requirements identified in the contract.

Recommendation

There are no recommendations for this section.

CASH/REVENUES

Objective

Determine whether cash receipts are properly recorded in the contractor's records and deposited timely in the contractor's bank account. Determine whether bank reconciliations are properly prepared and reconciling items are valid and cleared in a timely manner. In addition, determine whether there are adequate controls over cash and the Agency is reporting all revenue sources as required.

Verification

We reviewed copies of the bank reconciliations prepared by the Agency for September 2005 and reviewed financial records to verify that the cash receipts were properly recorded and deposited timely. We also reviewed International's cash and revenue procedures.

Results

International properly recorded and deposited cash receipts timely in the Agency's bank account. International also performed monthly reconciliations to ensure adequate controls over cash. In addition, reconciling items were cleared in a timely manner. International reported all revenue as required per the County contract.

Recommendation

There are no recommendations for this section.

EXPENDITURES/PROCUREMENT

Objective

Determine whether program related expenditures are allowable under the County contract, properly documented, and accurately billed.

Verification

We interviewed Agency personnel, reviewed financial records, and reviewed documentation for 14 non-payroll expenditure transactions the Agency billed for September 2005 totaling approximately \$3,020.

Results

International's expenses were allowable, accurately billed to DPSS and properly documented as required.

Recommendation

There are no recommendations for this section.

INTERNAL CONTROLS**Objective**

Determine whether the contractor maintained sufficient internal controls over its business operations.

Verification

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

Results

International maintained sufficient internal controls over its business operations.

Recommendation

There are no recommendations for this section.

FIXED ASSETS**Objective**

Determine whether International's fixed assets and equipment purchases made with TA funds are used for the Program and are safeguarded.

We did not perform test work in this section as International did not use TA funding to purchase fixed assets or equipment.

PAYROLL AND PERSONNEL**Objective**

Determine whether payroll is appropriately charged to the program. In addition, determine whether personnel files are maintained as required.

Verification

We traced and agreed payroll expenditures for 10 employees during September 2005, totaling \$3,016 to the payroll records and time reports. We also interviewed staff and reviewed the personnel files of staff assigned to the Program.

Results

The Agency appropriately charged payroll expenditures to the Program. In addition, International's personnel files were properly maintained.

Recommendation

There are no recommendations for this section.

COST ALLOCATION PLAN**Objective**

Determine whether International's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

Verification

We reviewed International's Cost Allocation Plan and a sample of expenditures incurred by the Agency during September 2005.

Results

International's Cost Allocation Plan was prepared in compliance with the County contract requirements and costs were appropriately allocated.

Recommendation

There are no recommendations for this section.



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PRESIDENT AND CEO, E. Stephen Voss

July 17, 2006

J. Tyler McCauley
Los Angeles County Auditor-Controller
500 W Temple, Room 525
Los Angeles, CA 90012

Dear Mr. McCauley:

Contract Review Response

We have reviewed the report issued by your Department and are in general agreement with the report as there were no findings or recommendations whatsoever.

Please call me if you have any questions at (323) 224-3800.

Sincerely,

E. Stephen Voss
President & CEO, International Institute



A UNITED WAY, INC. AND U.S COMMITTEE FOR REFUGEES AND IMMIGRANTS MEMBER AGENCY